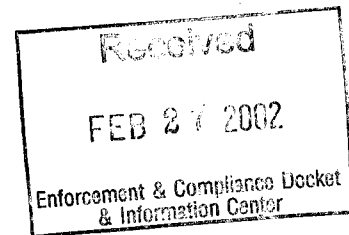


Congress of the United States
House of Representatives
107th Congress
Committee on Small Business
2361 Rayburn House Office Building
Washington, DC 20515-6315

February 27, 2002

Compliance and Enforcement Docket and Information Center
Environmental Protection Agency
Mail Code 2201A
Attn: Docket Number EC-2000-007
1200 Pennsylvania Ave NW
Washington, DC 20460



RE: August 31, 2001 proposed rule: Establishment of Electronic Reporting; Electronic Records

I am writing to express my views on EPA's compliance with the Regulatory Flexibility Act and to confirm certain verbal commitments made by EPA staff in regards to the continuing development and promulgation of EPA's August 31, 2001 proposed rule, "Establishment of Electronic Reporting; Electronic Records." I am writing to you as the Ranking Member of the Committee on Small Business. The Committee has jurisdiction over the regulatory and paperwork policies of all Federal departments and agencies including compliance with the Regulatory Flexibility Act (RFA).

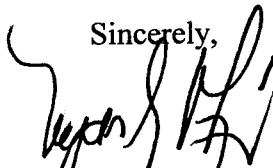
As you know, the RFA imposes both analytical and procedural requirements on federal agencies to ensure that they carefully consider the effect of their regulations on small businesses. The August 31 proposed Electronic Reporting/Recordkeeping regulation states that the Administrator certifies that this regulation will not have a significant economic impact on a substantial number of small businesses. However, based on substantial input from the small business community, I believe that EPA has significantly under-estimated the potential impacts of this regulation on small businesses who wish to utilize electronic reporting and keep electronic records and, therefore, this certification is not valid.

EPA's proposed regulations would set forth conditions under which EPA would allow an electronic record to satisfy federal environmental recordkeeping requirements. The proposal also sets a federal standard for submission of electronic records to EPA or the State. While I encourage efforts to reduce paperwork and allow for electronic reporting and recordkeeping, this regulation, as proposed, could have impacts on the current use practices of computers for all small businesses. Impacts on current use practices were not part of the regulation's impact assessment.

Your staff has publically stated that this regulation will not be promulgated as proposed, particularly due to the small business implications. In fact, EPA staff has admitted to a likely re-proposal of certain provisions of this regulation. I support and encourage re-proposal of this regulation, including development of regulatory alternatives that will minimize the impact of this regulation on small firms. Your re-proposal should also include full compliance with section 609(a) of the Regulatory Flexibility Act which requires agencies to assure that small businesses have an opportunity to participate in rulemakings that will considerably impact them and, therefore, should include convening a Small Business Advocacy Review Panel.

I commend you for your efforts to reach out to the small business community regarding this proposed regulation. You have engaged small businesses in a dialogue by informing and listening, now EPA must respond through appropriate action to minimize unnecessary burden.

Sincerely,

A handwritten signature in black ink, appearing to read 'Nydia M. Velazquez', written over the printed name.

NYDIA M. VELAZQUEZ
Ranking Democratic Member